

City of South Bend Disparity Study Public Information Meeting

Colette Holt & Associates

June 8, 2018

Study Team

- Colette Holt & Associates (DBE)
 - Colette Holt, JD – Project Manager & Legal Counsel
 - Nationally recognized expert, educator & author on D/S/M/WBE issues
 - Performed studies or program reviews for dozens of clients across the country
 - Co-authored USDOT-approved National Study Guidelines
 - Extensive experience as an expert witness in the successful defense of programs
 - General Counsel to the American Contract Compliance Association

Study Team

- Colette Holt & Associates
 - Steven Pitts, Ph.D. – Economist & Statistician
 - Nationally recognized expert, educator & author on market issues regarding minorities for over 25 years
 - Serves as economist & statistician for CHA disparity studies
 - Associate Chair of the University of California at Berkeley's Center for Labor Research & Education
 - Extensive experience using large databases, including Census Bureau files, to perform statistical analyses of labor & employment issues

Study Team

- Colette Holt & Associates (CHA)
 - Ilene Grossman, B.A.– Assistant Project Manager
 - Serves as chief operating officer of all CHA activities
 - Coordinates all study requirements & oversees all outside firm resources
 - Coordinates internal scheduling & project timelines
 - Oversees all interdepartmental communication
 - Directs all financial transactions and accounting staff

Study Team

- Colette Holt & Associates
 - Victoria Farrell, M.B.A. – Researcher
 - Experienced project manager
 - Serves as liaison and supervises subconsultants
 - Coordinates with Project Manager on all project requirements & oversees daily study activities, scheduling & project timelines

Study Team

- Colette Holt & Associates
 - Carol Borst– Data Collection Team Manager
 - Serves as data manager for CHA studies
 - Coordinates all follow up activities to ensure complete study contract data files
 - Organizes resources for anecdotal data collection
 - Manages all requirements for training & communicating with subconsultants

Disparity Study Legal Principles

- Evidence must comport with case law & sound science
- DBE programs must reflect this evidence
- Programs that result from inadequate legal & economic analyses or political motivations will be struck down if challenged
- Properly supported & narrowly tailored programs based upon expert testimony will survive strict scrutiny

Disparity Study Objectives

- Provide a legal defense if a race- and gender-based program is challenged
- Develop recommendations for program improvements & enhancements
- Educate policy makers & stakeholders about the legal & economic issues to build consensus

Study Methodology

- Legal Review & Analysis
- Determination of South Bend's Geographic Market
- Determination of South Bend's Industry Markets
- Determination of South Bend's Utilization of M/WBEs
- Estimation of M/WBE Availability
- Disparity Analysis
- Economy-Wide Analysis
- Anecdotal Data Collection & Analysis
- Review of South Bend's Contracting Policies
- Recommendations

Utilization Analysis

- Study period is FY 2015 to FY 2017
- Step 1: Gather South Bend's prime contracts to create Contact Data File
- Step 2: Gather any additional data for contracts in the Sample Contract Data File from agency
- Step 3: Contact primes for missing subcontractor data
 - Collect at least 80% of the contract dollars
 - Assign missing race & gender to all firms
 - Assign missing NAICS codes
- Step 4: Determine geographic & product markets

Utilization Analysis, cont.

- Determine the unconstrained product market
- Analyze data for primes, subs & primes, & subs together
 - 75% of NAICS codes comprise this market
- Determine the geographic market for at least 75% of the contracts
- Determine product market constrained by geographic market to create Final Contract Data File
- Determine detailed utilization by race, gender, & industry codes

Estimation of M/WBE Availability

- Use the Custom Census
 - Create Master List of M/WBEs from multiple entities
 - Purchase Hoovers/Dun & Bradstreet for initial business universe
 - Assign missing NAICS codes
 - Assign missing race & gender status
 - Estimate detailed, unweighted & weighted availability by combined & disaggregated race, gender & industry codes

Disparity Analysis

- Disparity ratio = M/WBE utilization ÷ availability
- 80% or less is substantive, supporting the inference of discrimination
- Calculate disparity indices for:
 - All race & sex groups & all industry groups combined & disaggregated
 - To the extent data are available, calculate disparity indices separately for contracts with & without goals

Economy-Wide Disparity Analyses

- Compare M/WBEs' revenues to non-M/WBEs' using the Census Bureau's Survey of Business Owners
- Compare M/WBEs' formation rates & business earnings to non-M/WBEs' using the Census Bureau's American Community Survey
- Review & summarize literature & surveys on M/WBEs' access to commercial credit
- Critical for evaluation of effectiveness of race-neutral measures

Anecdotal Data Collection & Analysis

- Public Study Introduction Meeting
- Business Owner Interviews

Review of the City's Contracting Policies

- Review contracting documents
- Solicit the City's staff & interviewees' suggestions regarding improvements
- Topics will include:
 - Barriers to City contracting & subcontracting
 - Outreach to M/WBEs & small firms
 - Data collection systems

Recommendations

- Race & Gender Neutral Measures to Reduce Barriers & Increase Opportunities
- Potential Narrowly Tailored Race- & Gender-Conscious Remedies
 - M/WBE Program
 - Program eligibility
 - Annual M/WBE goals
 - Contract goal setting methodology
 - Bid/proposal evaluation
 - Monitoring and data collection

Study Participation Information

- Business Owner Interviews – November 15, 2018
- Study Website: <http://southbend.disparity-study.com>
- Study email: southbend-study@mwbelow.com
- Study Telephone Number: (855) mwbelow / (855) 692-3529
- City of South Bend Disparity Study Manager: Christina A. Brooks
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